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REPORT

50X1-HUM

CD NO.

COUNTRY Czechoslovakia
 SUBJECT Economic - Wage policy
 HOW PUBLISHED Weekly periodical
 WHERE PUBLISHED Prague
 DATE PUBLISHED 12 Jan 1951
 LANGUAGE Czech

DATE OF INFORMATION 1951

DATE DIST. 2 Aug 1951

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

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SOURCE Odborar, Vol IV, No 2.THE PREMIUM SYSTEM FOR PUBLIC ADMINISTRATION EMPLOYEES IN CZECHOSLOVAKIA

Karel Kudrnac

The compensation of clerical, administrative, and public employees in general for superior efforts in the performance of their duties is still poorly handled in many enterprises.

By the Government Decree of 14 July 1950, provisional regulations for the compensation of public employees for superior working efforts were issued. The purpose of the regulations, which are an integral part of the new government-employee salary system, is, as in the economic sectors, to make employees more interested in their work, to encourage them to greater efforts, and thus to secure a higher degree of fulfillment of government administration objectives.

The rewards are granted for above-average working effort, for superior-quality work, and for savings effected in the consumption of materials and in personnel expenses. The size of the reward depends on the ascertained degree of superior effort. The compensation may equal up to 35 percent of the basic salary of the particular job group. The amount of compensation is unlimited in the cases of persons working according to norms or persons for whom specific plans have been established.

It should be stressed, however, that the introduction of premiums for administrative employees is by no means a simple task. For measuring superior working effort, the following criteria are recommended: (a) degree of fulfillment of individual-output norms, (b) degree of fulfillment of planned objectives, and (c) personal efficiency.

Incentive systems give flexibility to labor plans, and stimulate competition and ambition. Experience has shown that when incentive systems have been introduced, working results have increased 25 percent compared with the previous level, and sometimes even more. In 1949, the State Statistical Office introduced individual-output norms to increase individual effort, particularly

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in the machine-accounting division, since several women had resigned from that division to take jobs in industry. Results were immediately apparent: Comrade Mandysova fulfilled her monthly norm by an average of 150 percent, Comrade Bures by 150 percent, etc. They earned an average of 700-1,000 crowns more per month.

The effort premium, however, will not accomplish its purpose if it is considered a regular part of the salary. It must represent a flexible reward, calculated on the basis of actual results achieved over the individual output norm.

Nor will it attain its purpose in cases where the employees decide to divide their premiums into equal shares. The better results and the higher quality of work not only should be reflected in the size of the premium, but also should be taken into consideration in the assignment of workers to higher and more responsible positions.

A definite plan is necessary in any kind of work. In those sectors where individual-output norms have not yet been introduced, the planning of work is much more difficult and less precise, since only subjective estimates can be used in calculating productivity; of course, even this planning is preferable to a complete lack of plan which leaves the conduct of all operations without any control whatsoever, and entirely to chance. A working plan cannot be correct unless it shows not only the number of workers who will take part in a given task, but also the time limit, i.e., the number of hours within which the job must be finished. If the job is completed ahead of time, i.e., if time is saved, the worker is entitled to a premium.

In all public-administration working units, the trade-union representatives should pay more attention than ever to premium systems. They must concentrate on improving labor planning and norm setting so that these plans and norms may be used to measure every worker's effort correctly from qualitative and quantitative viewpoints, so that he may be granted the compensation he deserves. The Government Decree of 14 July 1950 indicates the method of calculating such premiums.

Another index of superior effort is the "personal efficiency of the employee" in those fields of work where concrete achievement cannot be measured and the efficiency of the employee can be determined only by a comparison of the efforts of all employees in the same or a related field of activity.

It is somewhat dangerous to use this index for estimating superior effort, even if it is handled in cooperation with the trade-union representatives of an enterprise.

In measuring superior effort, not only should the quantity and quality of work be taken into consideration, but primarily the socialist pledges and employees' contracts regarding the planned increase of productivity in given divisions of a certain branch of the trade union, and the realization of certain unplanned but essential tasks. Also to be taken into consideration is the competition among the best individual employees in a trade union, or the best group of employees. Not only should the fulfillment of these pledges be followed, but it is of primary importance that their economic results be evaluated, since these will be decisive in determining the amount of the premium given for superior effort.

In estimating the productivity of labor it is also necessary to consider the accuracy and conscientiousness of the employee, his cooperativeness with other workers, his willingness to work, his attitude toward his work, his initiative, his sense of order and work organization, economy in his use of office

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machines and equipment, his perseverance, assiduousness, intelligence and quickness in work, and how fully he utilizes his working time. It was wise, therefore, that daily efficiency reports were instituted in many public administration units, that norms were set for certain types of work, and that other tasks have been put on a planned basis.

Through such practice, not only is a just reward for above-average effort ensured, but also greater employee efficiency in public administration in general.

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